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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
USCINCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

E.O. 12958: N/A

TAGS: [IS](#) [KMDR](#) [MEDIA](#) [REACTION](#) [REPORT](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

1. Israeli Elections
2. Iranian Nuclear Race
3. The Syrian Threat

Key stories in the media:

Ha'aretz online and Israel Radio reported that a blast occurred at around 11:30 am Monday at the entrance to the Hasharon shopping mall in Netanya. Rescue personnel said at least four people were killed in the explosion and more than 30 people were wounded. According to media reports, police believe the blast was caused by a suicide bomber. According to a Palestinian radio station in Gaza, the Fatah-linked Al-Aqsa Martyrs Brigades claimed responsibility for the attack. Abu Qusai, an Al-Aqsa field commander in the Gaza Strip, said the name of the bomber would be released shortly. Senior Palestinian Authority official Saeb Erekat condemned the attack, saying it was detrimental to the Palestinian cause.

The Jerusalem Post reported Sunday that Israel and the US are at odds over the future of Syria in a post-Bashar Assad era. In a strategic dialogue held last week in Washington between the two countries, Israeli representatives warned that a future regime in Syria, should Assad lose power, might be just as problematic as the old one. The Israelis projected three possible scenarios if the current regime does fall - all of them dangerous for the stability of the region. The first was the possibility that Syria would deteriorate into total chaos and plunge into some sort of civil war; the second was that Assad would be succeeded by another member of the ruling Alawite sect who would be a hardliner like Assad; or, third, that an extreme Islamic regime would take over the country. Sources briefed on the content of the talks said these Israeli warnings stood in stark contrast to the American view as it was presented in the dialogue. The two sides also discussed the wider issue of democratization in the Arab world and, here too, the Israelis said they were not as optimistic as the Americans regarding the prospects of promoting democratic reforms in the region. The Israeli delegation was headed by Minister Tzahi Hanegbi and the US group was led by Undersecretary of State for Political Affairs Nicholas Burns.

Various sources reported on violent activity in Gaza over the weekend. Israel Radio reported that an IDF helicopter fired a missile into the offices of a Palestinian terror organization in Gaza City overnight. The Post reported that earlier, IAF jets struck at Kassam launch sites in three separate bombardments Saturday night. The Israeli attack came in retaliation for Kassam rocket attacks, four total, over the weekend, which targeted the western Negev. Two Palestinians were killed by the IDF in separate incidents, including one off the Gaza coast.

On Monday, the Post reported that Defense Minister Mofaz instructed the army to "intensify its response"

to the Kassam rocket attacks and resume the targeted killings of terrorists in the Gaza Strip.

Israel Radio reports Sunday cited an Iranian news agency that announced that Iran would begin construction on two nuclear reactors beginning in March. The report added that an Iranian parliamentarian confirmed that one of the reactors would be funded by Russia, at a cost of \$1 billion. Israeli officials strongly condemned the reported sale of Russian weapons to Iran, calling it a "very dangerous move."

On Monday, the Post carried an "exclusive" report saying that the US is exploring the possibility of enlisting allies in imposing trade sanctions on Iran if Washington has to deal with Teheran's nuclear program without the assistance of the UN Security Council. Referring to this issue, the Post cited Likud's Netanyahu as saying he "would take the steps necessary to prevent a nuclear Iran" if elected prime minister.

A related report in Ha'aretz Monday cites Chief of Staff Dan Halutz as saying that Iran is determined to attain nuclear capability, "which for Israel is intolerable, and Israel must prepare for the worst." Speaking to foreign reporters Sunday, Halutz added that, believing diplomatic efforts to thwart the Iranian program will fail, "the alternative is physical pressure," but he would not elaborate. Halutz said it will take 3 to 6 years before Iran attains nuclear power, unless it obtains a warhead first.

The lead Ma'ariv headline on Monday says the Iranian nuclear issue features first in the 2006 elections campaign. Labor's Peretz associates claimed this is an attempt to divert the elections agenda from the social to the security issue. The report cites Defense Minister Mofaz's associates as saying he was upset by Netanyahu's remarks in which he demonstrated "irresponsibility." The report adds that Meretz-Yahad Chairman Yossi Beilin warned that the Sharon-Netanyahu verbal exchanges might lead to supporting a military operation against Iran, saying that Israel must promote the political option.

On Sunday, the Post and other media reported that the IAF held the 14th test of the Israeli-designed Arrow 2 anti-ballistic missile on Friday, successfully intercepting an incoming rocket at a higher altitude than ever before. A day after Prime Minister Ariel Sharon declared that Israel would not tolerate Iranian efforts to get nuclear arms, "the test demonstrated Israel's robust interception capability against incoming missiles that may be armed with nuclear or chemical warheads" the Post said.

In a related report, Yedi'ot Aharonot reported Sunday that Israeli experts who have been monitoring military developments in Israel and Iran said we are witnessing an "unprecedented defensive arms race."

Ha'aretz added Sunday that Israeli defense establishment experts were surprised to realize that Syria has introduced significant changes in the advanced model of the Scud D missile that give it greater guidance capability and accuracy, according to Western missile experts. The evaluations were based on an examination of pieces of a Scud D missile that went off course after a test launch and landed in southern Turkey. The launch took place a few months ago, but it took some time until all the pieces were analyzed.

On December 4, the Jerusalem Post reported that a decision was made Sunday to take further steps in the ongoing policy to ease restrictions on Palestinians not involved in terror activity. Israel has permitted 4000 Palestinian neighbors from the West Bank to enter Israel for work, bringing the total number of those given entry to 16,000. In addition, 500 West Bank merchants were granted access to Israel, bringing the total number of merchants to 12,500. For the upcoming Christmas celebrations, 500 worshippers from the Gaza Strip will be permitted to enter Jerusalem today and on December 8. Some 2000 Palestinian workers from Gaza are permitted to enter Israel. Israel also granted permits to 1000 merchants, bringing the total number of merchants permitted to enter Israel from Gaza to 2000.

The Post reported on Sunday that Palestinian Authority Finance Minister Salam Fayyad is planning to form a new party that will run in next January's parliamentary elections, sources in Ramallah said on Saturday. Fayyad, who recently announced his intention to resign, apparently in protest against the way PA chairman Mahmud Abbas was handling the PA finances, will head

the new party, which will be independent and serve as an alternative for those who don't want to vote for the ruling Fatah party or Hamas. The sources said legislator Hanan Ashrawi and former Information Minister Yasser Abed Rabbo, one of the heads of the Geneva Initiative group, are expected to join Fayyad's party. Other Palestinians whose names have been mentioned in connection with the new party are Dr. Iyad Sarraj and Khaled Abdel Shafi of the Gaza Strip and Abdel Kader Hussein of Jerusalem.

Yedi'ot Aharonot reported Sunday that there is tension between Israel and Turkey in the wake of the paper's expos on Israelis training Kurds in northern Iraq. Aware of this, the Israeli Foreign Ministry sent calming messages to Turkey, stating that the parties involved were private companies. The ministry also lashed at the Israeli companies, saying what they did was "outrageous and irresponsible."

Ha'aretz reported Monday that Israel is trying to prevent the development of a diplomatic crisis with Ethiopia after eight of its military men who were in Israel for training sought refuge with the ambassador of Eritrea, who later flew them to his country. Israel claims the Ethiopians defected on their own accord and that no official Israeli body was involved. Yediot also reported Monday that Indonesian foreign minister said over the weekend that his government supports initiating "non-diplomatic" contacts with Israel, focusing on economic ties. The report adds that the two countries have been in secret contacts for the past several months in which Foreign Minister Shalom and his ministry's director general were involved.

Yediot Ahronot reported Monday that due to an American demand, Israel had to cancel a security deal for maintenance of the Venezuela Air Force's F-16's. Israel was later "surprised" to realize that several American companies submitted bids on the same tender, with the US Administration's approval. Political sources are cited as saying that "in the worst case, the Americans played a trick on Israel to help their own security industries." The affair caused great embarrassment in the Israeli political and security establishment, which "made efforts to conceal the report so as not to reveal more alleged tensions between Israel and the US."

The Post reported Monday that after the Supreme Court rejected the appeal of suspected drug dealer Ze'ev Rosenstein's extradition to the United States, Justice Minister Tzipi Livni said she is willing to sign the extradition order against Rosenstein, unless his lawyers present her with convincing arguments against doing so.

All the media reported Monday on the joint news conference in which Prime Minister Ari'el Sharon and Shimon Peres outlined their Kadima partnership. Ha'aretz reported that Sharon said he will let Peres choose any position he wants, where he will be "a full and central partner to the political process." Peres said he joined Sharon because he saw the great opportunity created after the Gaza withdrawal, and would not say whether he quit Labor because he lost to Peretz.

The Post, citing AP, reported on Sunday that the UN approved six resolutions criticizing Israeli policies. "Israel's UN Ambassador Dan Gillerman said that the resolutions were not only 'absolutely useless' but 'very worrisome' because they signified Palestinian concern only with the past, not with finding constructive ways to improve the lives of both Palestinians and Israelis."

[1. Israeli Elections](#)

Summary

Media and politics Professor Yoram Peri writes in pluralist, mass-circulation Yediot Aharonot: "That Sharon is leading in the polls way ahead of Labor and the Likud." is due to "his understanding of the deep change of the Israeli political map, where a new consensus was created over the past three years.. It is important to realize that this consensus is broadly supported by the Israeli public opinion and thus, he who represents it will score the most votes in the March 2006 elections."

Independent, left-leaning Ha'aretz editorialized: "Peretz tends to play solo, as he was used to in the Histadrut, but he must lose that habit.. He must

realize that even those who will be convinced by his social and economic arguments will rightfully demand that he prove himself worthy of being a prime minister."

Veteran columnist Akiva Eldar writes in independent, left-leaning Ha'aretz: "Why does a party named Kadima [Forward] need a serial loser? . Peres is the prime minister's most important acquisition.. The Nobel laureate will travel the world's capitals and show that his boss is a man of peace. There was a time that Peres preached for a new Middle East, when he told people like Sharon that making the peace process conditional on ending terror is a gift for the terrorists. Now he will tell the world that eliminating the infrastructure of terror is what is needed to promote the infrastructure of peace."

Bloc quotes

I. "What Sharon Realized"

Media and politics Professor Yoram Peri writes in pluralist, mass-circulation Yediot Aharonot: "The fact that Sharon is leading in the polls way ahead of Labor and the Likud follows from his appeal as a leader, but not less from his understanding of the deep change of the Israeli political map, where a new consensus was created over the past three years.. The consensus is based on three principles: First, the belief that we have no Palestinian partner for negotiations at this time and that the Palestinian society is not ripe to make peace, which is why the violent conflict will continue for many years to come, even if the flames are lower. Second, Oslo's failure must make Israel throw the left-wing belief that peace can be attained in exchange for territories into the dustbin of history; at the same time, the right-wing view that peace can be attained while keeping the territories is now extinct. The new consensus is that the territories are a burden and we must rid ourselves of most of them, even if this does not bring peace any closer. Third, because there will be no partner in this generation, and since we must get used to living with ongoing terror, it is time for us to take our future into our hands and determine our fate unilaterally. Each of these three principles can naturally be refuted, but this is not the issue. It is important to realize that this consensus is broadly supported by the Israeli public opinion and thus, he who represents it will score the most votes in the March 2006 elections."

II. "Peretz' First Test"

Independent, left-leaning Ha'aretz editorialized: "Criticism of the way Amir Peretz conducts the Labor Party affairs and his relations with the people around him came too soon. When he was elected party chairman, there was hope that his drive would help change the political system, but some of the moves he made already threaten to kill that hope.. Peretz tends to play solo, as he was used to in the Histadrut, but he must lose that habit.. It seems, however, that Peretz' greatest mistake was his appreciation of the nature of the campaign for Israel's leadership. The political views he presented after his victory. were flexible enough for Labor to present the voters with realistic and practical suggestions for bilateral negotiations with the Palestinians, a unilateral move in the West Bank, and taking an active and effective part in Sharon's coalition. But ever since he made his initial declarations, he was not heard on the political conflict, as if he has captivated himself in his social agenda campaign, believing it will win him the election. He must realize that even those who will be convinced by his social and economic arguments will rightfully demand that he prove himself worthy of being a prime minister."

III. "What Does He Need Him For?"

Veteran columnist Akiva Eldar writes in independent, left-leaning Ha'aretz: "Why does a party named Kadima [Forward] need a serial loser? Did Sharon's strategic advisers not warn him that Netanyahu would tag him 'Shimon (Oslo) Peres'?. It is hard to believe that Sharon did not consider this when he chose to adopt the political orphan. Nevertheless, Peres is the prime minister's most important acquisition.. The Nobel laureate will travel the world's capitals and show that his boss is a man of peace. and who will then doubt Sharon's commitment to peace? Even if the outposts are flourishing and the peace process is withering, have no fear: when Shimon is in the kitchen, rest assured -- something is cooking with Abu-Ala. Even if defense

minister Avi Dichter should spoil the soup with a bunch of pinpointed assassinations, worry not, for Peres will take "the peace team" to Europe and show the world that everything is fine.. No one knows better than Peres that a peace arrangement with the Palestinians, even an interim one, can only be attained by way of negotiations with a Palestinian partner; but Sharon has already announced that the terms of joining his partners' club remain: eliminating the infrastructure of terror.. The prime minister maintains that HAMAS should not only be disarmed, but also outlawed and its offices closed. First the Israeli Government proved to the Palestinians that only HAMAS can drive the Israelis out and next, when HAMAS is at the peak of its popularity, Israel wants the Palestinians to turn their backs on it. According to security officials, including those Peres sometimes listens to, this means one thing - a [Palestinian] civil war.. There was a time that Peres preached for a new Middle East, when he told people like Sharon that making the peace process conditional on ending terror is a gift for the terrorists. Now he will tell the world that eliminating the infrastructure of terror is what is needed to promote the infrastructure of peace."

12. Iranian Nuclear Race

Summary

Military correspondent Alex Fishman writes in mass-circulation, pluralist Yediot Ahronot: "Though no one will declare this openly, we have entered the court of the balance of terror and have already spent a long time in the opening chapter of this malignant disease. The Iranians do not yet have nuclear weapons, but we are already in the foreplay stage -- conducting a defensive arms race against them, trying to understand where they are headed and to be there a few steps ahead of them.. This will go on and on unless some kind of political miracle should happen to stop this madness, that sucks billions of dollars from both sides."

Bloc quotes

"It Costs Billions"

Military correspondent Alex Fishman writes in mass-circulation, pluralist Yediot Ahronot: "Though no one will declare this openly, we have entered the court of the balance of terror and have already spent a long time in the opening chapter of this malignant disease. The Iranians do not yet have nuclear weapons, but we are already in the foreplay stage -- conducting a defensive arms race against them, trying to understand where they are headed and to be there a few steps ahead of them. Israel views the Iranian nuclear threat as a given fact. Diplomatic efforts to thwart it have so far failed. In view of this, all the remarks about introducing a new national, social order of priorities are merely election talk. Once Iran obtains nuclear weapons, the huge sums and resources that Israel has been investing in developing an appropriate response will be doubled and tripled, and it already costs us billions.. We will have to get used to this: The Iranians make a move; we find an answer that is supposed to anticipate their future technology; they learn the Israeli response and with time develop a counter technology. This will go on and on unless some kind of political miracle should happen to stop this madness, that sucks billions of dollars from both sides."

13. The Syrian Threat

Summary

Liberal commentator Ofer Shelah writes in pluralist, mass-circulation Yediot Aharonot: "Reports said that Syria improved the guidance and maneuverability of its Scud D missiles.. It is the old Israeli complex in which we are dealing in detail, with an almost masochistic pleasure, with the enemy's capabilities, ignoring their meanings or the chances they would ever materialize.."

Bloc quotes

"The Accountants of Fear"

Liberal commentator Ofer Shelah writes in pluralist, mass-circulation Yediot Aharonot: "Cynics tend to

attribute reports of the kind that leaked to the media from the defense establishment to the high budget season. The reports said that Syria improved the guidance and maneuverability of its Scud D missiles.. Only this time, even if there is smoke and fire, there's nothing to burn because the limping Sharon cabinet is holding no budgetary debates at all.. It thus seems that this affair is older than any conspiracy. It is the old Israeli complex in which we are dealing in detail, with an almost masochistic pleasure, with the enemy's capabilities, ignoring their meanings or the chances they would ever materialize.. In this respect, the precision of the missiles, that were not meant to pinpoint targets, is meaningless, just as the number of rockets in the hands of Hizballah is insignificant, though precisely counted (and published) by the intelligence, acting zealotry as accountants of fear.. The way we see things, our enemy has no interests, intentions, or pressure levers; it only wants to destroy us and has no rationale of its own."

Jones